

APR 19 2012

Electricity Delivery and
Energy Reliability

UNITED STATES OF AMERICA
BEFORE THE
DEPARTMENT OF ENERGY
OFFICE OF ELECTRICITY DELIVERY AND ENERGY RELIABILITY

Emera Energy Services Subsidiary No. 1 LLC

Docket No. EA-321 A

**APPLICATION OF EMERA ENERGY SERVICES SUBSIDIARY NO. 1 LLC FOR
AUTHORIZATION TO TRANSMIT ELECTRIC ENERGY TO CANADA**

Pursuant to Section 202(e) of the Federal Power Act ("FPA"), 16 U.S.C. § 824a(e), and 10 C.F.R. §§ 205.300 *et seq.*, Emera Energy Services Subsidiary No. 1 LLC ("EESS-1") hereby files with the Department of Energy ("DOE" or the "Department") an original and five (5) copies of the instant application ("Application") for blanket authority to transmit electric energy from the United States to Canada. On April 19, 2007, the Office of Electricity Delivery and Energy Reliability issued Order No. EA-321, authorizing EESS-1 to export electric energy to Canada as a power marketer for a term of five years. EESS-1 respectfully requests renewal of its authorization to transmit electricity from the United States to Canada for a term of five years.

I. DESCRIPTION OF THE APPLICANT

The exact legal name of the applicant is Emera Energy Services Subsidiary No. 1 LLC. EESS-1 is a Delaware Corporation formed under Delaware law with its principal place of business at Suite 101, #37 Route 236, Kittery, Maine 03904. EESS-1 is a wholly-owned subsidiary of Emera Incorporated ("Emera"), a Nova Scotia corporation that is a diversified energy and services company. Emera owns four other limited liability companies, also created under the laws of Delaware, which from time to time engage in energy transactions in the United States and have received market-based rate authority from the Federal Energy Regulatory Commission ("FERC"): Emera Energy Services Subsidiary No. 2 LLC, Emera Energy Services

Subsidiary No. 3 LLC, Emera Energy Services Subsidiary No. 4 LLC, and Emera Energy Services Subsidiary No. 5 LLC. All five limited liability companies have been granted authority to sell electricity at wholesale market-based rates.¹ Currently, none of the LLCs are being used to export power from the United States, nor is there currently any intention to use any of the LLCs for export in the near future.

Emera owns other energy concerns. Bangor Hydro Electric Company (“Bangor Hydro”), a Maine corporation, is an indirect wholly owned subsidiary of Emera. Headquartered in Bangor, Maine, Bangor Hydro is primarily engaged in the transmission and distribution of electric energy and related services to approximately 118,000 retail customers located in eastern and coastal Maine in the counties of Penobscot, Hancock, Washington, Waldo, Piscataquis, and Aroostook. Bangor Hydro also serves wholesale customers located in these areas. Bangor Hydro owns approximately 827 miles of transmission lines and 5,000 miles of distribution lines. Bangor Hydro’s transmission facilities include the United States portion of the Northeastern Reliability Interconnect, a 345-kV transmission line, which runs from the Bangor area to New Brunswick, Canada.

Emera also owns a 100% interest in Maine & Maritimes Corporation,² the parent company of Maine Public Service Company (“Maine Public”), a transmission and distribution electric utility in northern Maine. Maine Public, a Maine corporation, is headquartered in

¹ FERC has granted the limited liability companies and certain of their affiliates blanket authority to sell energy, capacity, and ancillary services at market-based rates. See *Bangor Hydro Electric Co., et al.*, Docket Nos. ER99-1522-006, *et al.*, Letter Order issued May 20, 2011.

² Maine & Maritimes also directly or indirectly holds interests in two inactive entities. Maine & New Brunswick Electrical Power Company, Ltd., is an inactive Canadian subsidiary of Maine Public, which, prior to deregulation and generation divestiture, owned Maine Public’s Canadian electric generation assets consisting primarily of a hydro generation facility. Maine & Maritimes is also the parent of Energy Atlantic, LLC, a licensed, but, inactive Competitive Electricity Provider.

Presque Isle, Maine. Maine Public is primarily engaged in the transmission and distribution of electric energy and related services to approximately 36,000 retail customers located in northern Maine in the county of Aroostook and a small portion of the county of Penobscot. Maine Public also serves wholesale customers located in these areas. Maine Public owns approximately 390 miles of transmission lines and approximately 1,700 miles of distribution lines. Maine Public's transmission facilities include the United States portion of four transmission lines that run from Aroostook County to New Brunswick, Canada.

Bangor Hydro and Maine Public each hold interests in Maine Electric Power Company, Inc. ("MEPCO"). MEPCO owns and operates a 345 kV interconnection between New Brunswick, Canada and Wiscasset, Maine, along with related facilities. MEPCO transmits power under its Open Access Transmission Tariff approved by the Federal Energy Regulatory Commission. Maine Public holds a 7.5% voting interest in MEPCO; Bangor Hydro holds a 14.2% voting interest in MEPCO; and Central Maine Power Company ("CMP"), which is not affiliated with any Emera entity, holds the remaining majority interest in MEPCO of 78.3%.

Chester SVC Partnership owns a static VAR compensator facility in Chester, Maine, which provides transmission system reinforcement allowing the Hydro-Quebec Phase II transmission line in New Hampshire and the MEPCO line to operate at full capability simultaneously. Bangor Var Company, Inc., a wholly-owned subsidiary of Bangor Hydro, is a general partner holding a 50% interest in Chester. CMP holds the other 50% interest.

Emera Energy Services, Inc. ("EES") and Emera Energy U.S. Subsidiary No. 1, Inc. (EEUS1) are wholly-owned indirect subsidiaries of Emera. EES is involved in the trading and marketing of natural gas and electricity in the United States. EES is a licensed competitive electricity provider in Maine, subject to restrictions. EEUS1 also engages in energy transactions

in the United States from time to time. Both EES and EEUS1 have received market-based rate authority from FERC and have DOE authorization to transmit electricity from the United States to Canada³.

Emera Energy Incorporated is a wholly-owned subsidiary of Emera and is incorporated under the laws of Nova Scotia. Emera Energy Incorporated provides energy management services to Canadian clients and customers, as well as conducting proprietary natural gas and electricity trading and marketing in the Canadian marketplace. Nova Scotia Power Inc. is a wholly owned subsidiary of Emera that provides service to customers located in Nova Scotia, Canada. Emera has a 12.92% ownership in the Maritimes and Northeast Pipeline, a natural gas pipeline that originates in Goldboro, Nova Scotia, and terminates at a point of interconnection with the United States pipeline grid at Dracut, Massachusetts. Emera owns a subsidiary, Emera Utility Services Incorporated, which provides transformer refurbishment, cable work, and electrical construction.

Emera has a direct subsidiary, Emera Brunswick Pipeline Company Ltd., which owns the Brunswick Pipeline, a 145 kilometer pipeline which connects the Canaport Liquefied Natural Gas terminal in Saint John, New Brunswick, Canada to the United States portion of the Maritimes and Northeast Pipeline near St. Stephen, New Brunswick, Canada.

Emera owns a 80.1% interest in Light & Power Holdings Ltd., which in turns owns 100% of The Barbados Light & Power Company Limited ("BLPC") and a 19.1 % interest in St. Lucia Electricity Services Limited ("Lucelec"). BLPC is the sole electricity provider on the island of Barbados and has been granted a franchise to produce, transmit and distribute electricity on the island until 2028. Lucelec is an electric utility with exclusive license to generate, transmit and

³ Order No. EA-257-C and Order No. EA-287-A.

distribute electricity on the island of St. Lucia until 2045. Emera also owns a 50% direct and a 30.4% indirect interest in Grand Bahama Power Company Limited (“GBPC”). GBPC is the sole licensed and regulated utility operator on Grand Bahama Island with an exclusive franchise to produce, transmit and distribute electricity on Grand Bahama Island until 2054. Emera also owns an 8.2 % interest in OpenHydro Group Limited, an Irish technology business that designs and manufactures marine turbines to generate renewable energy from tidal streams.

Emera owns a 50% indirect interest in Bear Swamp Power Company LLC, a Delaware limited liability company which owns and operates the 600 MW Bear Swamp Pumped Storage Hydroelectric Facility located on the Deerfield River in northern Massachusetts and the nearby 10 MW Fife Brook run-of-river hydroelectric facility. Bear Swamp holds authorization to sell power at market-based rates from FERC. Bayside Power, L.P. is a wholly-owned indirect subsidiary of Emera and is the owner of the 260 MW gas-fired Bayside Power plant in Saint John, New Brunswick.

Emera is also partnering with First Wind to own 385 MW of wind energy facilities in the northeastern United States. These assets will become part of a new operating company, owned 51 percent by First Wind, and 49 percent by a new Emera owned entity. On April 10, 2012, the Maine Public Utilities Commission indicated its intent to approve this investment with conditions of Emera’s investment in First Wind's Northeast project portfolio.

Emera has a Strategic Investment Agreement (“SIA”) with Algonquin Power & Utilities Corp. (“Algonquin”), an owner and operator of a diversified portfolio of clean renewable electric generation and sustainable utility distribution businesses in North America. Emera currently owns a 6.26% interest in Algonquin. Emera also owns a 49.999% interest in California Pacific Utility Ventures LLC (“CPUV”), parent company of California Pacific Electric Company, LLC,

which was established by Emera and Algonquin to own and operate the electricity distribution and related generation assets of NV Energy, Inc. In accordance with the SIA, Emera has agreed to sell its 49.999% interest in CPUV to Algonquin in exchange for additional subscription receipts convertible into Algonquin shares. Emera also owns subscription receipts convertible into 12 million additional shares of Algonquin upon the acquisition by Algonquin's regulated subsidiary, Liberty Energy Utilities Co., of Granite State Electric Company and Energy North Natural Gas Inc. (the "New Hampshire transaction"). Once the sale of CPUV to Algonquin and the New Hampshire transaction receive applicable regulatory approvals and are completed, Emera's ownership interest in Algonquin will increase to approximately 18 percent. On April 10, 2012, the Maine Public Utilities Commission indicated its intent to approve Emera's Algonquin investments with conditions of Emera's increased investment in Algonquin up to 20 percent.

EESS-1 does not own or control any electric power generation or transmission facilities and does not have a franchised electric power service area. EESS-1 operates as a marketing company involved in, among other things, the purchase and sale of electricity in the United States as a power marketer.

II. COMMUNICATIONS.

Communications regarding this Application should be addressed to the following persons:

*Emera Energy Services Subsidiary No. 1
LLC*

Will Szubielski
Commercial & Regulatory Lawyer
c/o Emera Energy Inc.
1223 Lower Water Street
Halifax, Nova Scotia B3J 3S8
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Phone: (902) 474-2557
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Troutman Sanders LLP

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401 9th Street, N.W. Suite 1000
Washington, D.C. 20004
(202) 274-2908
(202) 654-5628 (facsimile)
bonnie.suchman@troutmansanders.com

Stephen Aftanas
Corporate Secretary
c/o Emera Incorporated
1223 Lower Water Street
Halifax, Nova Scotia B3J 3S8
Fax: (902) 428-6171
Phone: (902) 428-6096
stephen.aftanas@emera.com

III. JURISDICTION.

Under Section 202(e) of the FPA, 16 U.S.C. § 824a(e), and DOE's regulations, 10 C.F.R. § 205.300 *et seq.*, any person seeking to transmit electric energy from the United States to a foreign country must first secure an order from DOE authorizing the export. No other known federal, state or local government has jurisdiction over the actions to be taken under the authority set out in this application.

IV. TECHNICAL DISCUSSION OF PROPOSAL.

EESS-1 seeks renewal of its authority to transmit electric energy to Canada. EESS-1 intends to export power over existing transmission interconnections between the United States and Canada. Exhibit C to this Application provides the location and description of the

transmission facilities through which the electric energy may be delivered into Canada, and includes the name of the facility owners as well as the Presidential Permit numbers.

EESS-1 will purchase surplus electric energy from electric utilities and other suppliers within the United States and will export this energy to Canada over the international electric transmission facilities. The present owners of the transmission facilities are listed in Exhibit C. Because this electric energy will be purchased from others voluntarily, it will be surplus to the needs of the selling entities. EESS-1's export of power will not impair the sufficiency of electric power supply in the U.S.

EESS-1 will make all necessary commercial arrangements and will obtain any and all other regulatory approvals required in order to effect any power exports. This will include: (1) scheduling each transaction with the appropriate control area in compliance with all reliability criteria, standards, and guidelines of the North American Electric Reliability Corporation ("NERC") and applicable Regional Entities in effect at the time of export; (2) obtaining all necessary transmission access over the existing facilities listed in Exhibit C; and (3) providing evidence of the agreements with transmission owners to DOE.

Consistent with past DOE precedent, EESS-1 requests that DOE use the reliability analyses performed in the most recent export authorization proceedings that rely upon the border transmission facilities referenced in Exhibit C. EESS-1 agrees to abide by the export limits of these transmission facilities. The controls that are inherent in any transaction that complies with all NERC requirements and the export limits imposed by DOE on the referenced transmission facilities are sufficient to ensure that exports by EESS-1 will not impede or tend to impede the coordinated use of transmission facilities within the meaning of Section 202(e) of the FPA.

V. PROCEDURES

EESS-1 is willing to accept all conditions imposed by the Department of Energy on its authorization to export power. In particular, if required by DOE, exports made by EESS-1 will not exceed the export limits for the transmission facilities utilized by EESS-1, or otherwise cause a violation of the terms and conditions set forth in the export authorization. When scheduling the delivery of power, EESS-1 will comply with the applicable NERC reliability criteria, standards, and guidelines. EESS-1 will provide DOE with all required reports indicating the gross amount of electricity delivered to Canada, consideration received during each month, and the maximum hourly rate of transmission, as well as any additional annual reports required.

VI. SERVICE AND FEE.

In accordance with the requirements of 10 C.F.R. § 205.309, copies of this application will be provided to the following:

Ms. Kimberly D. Bose
Secretary
Federal Energy Regulatory Commission
888 First Street, N.W.
Washington, D.C. 20426

Maine Public Utilities Commission
242 State Street
18 State House Station
Augusta, Maine 04333-0018

Maine Public Advocate Office
112 State House Station
Augusta, Maine 04333-0112

A check in the amount of \$500.00 made payable to the Treasurer of the United States is enclosed in payment of the fee specified in 10 C.F.R. § 205.309.

VI. VERIFICATION.

Verification executed by Applicant's authorized representative, A. Michael Burnell, in accordance with 10 C.F.R. § 205.302(h) is enclosed with this Application.

VII. EXHIBITS.

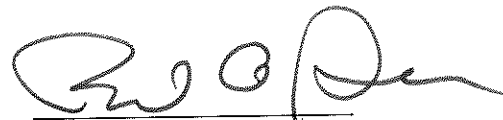
In accordance with the requirements of 10 C.F.R. § 205.303, the following exhibits are attached hereto:

- Exhibit A Transmission Agreements
- Exhibit B Opinion of Counsel
- Exhibit C International Transmission Facilities (Submitted in lieu of Maps)
- Exhibit D Power of Attorney
- Exhibit E Statement of Any Corporate Relationship or Existing Contract
- Exhibit F Operating Procedures

VIII. CONCLUSION.

WHEREFORE, EESS-1 respectfully requests that this Application for Authorization to Transmit Electric Energy to Canada be considered and approved.

Respectfully Submitted,



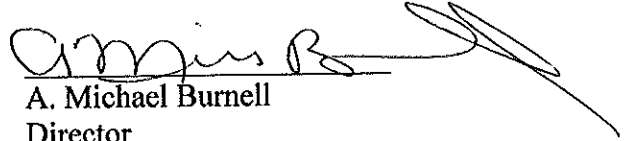
Bonnie A. Suchman, Esq.
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401 9th Street, N.W., Suite 1000
Washington, D.C. 20004
(202) 274-2908
(202) 654-5628 (facsimile)

*Attorney for
Emera Energy Services Subsidiary No. 1 LLC*

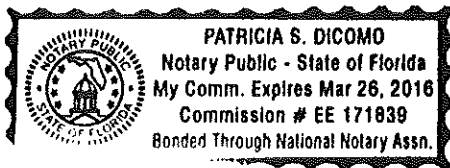
Dated: April 19, 2012

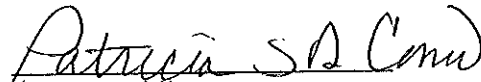
VERIFICATION

I, A. Michael Burnell, Director of Emera Energy Services Subsidiary No. 1 LLC, having knowledge of the matters set forth in the above Application for Authorization to Transmit Energy to Canada, hereby verify that the contents thereof are true and correct to the best of my knowledge and belief.


A. Michael Burnell
Director
Emera Energy Services Subsidiary No. 1
LLC

SUBSCRIBED AND SWORN before me, a notary public this 13 day of April, 2012.




Notary Public

My Commission Expires:

03/26/16

EXHIBIT A -- TRANSMISSION AGREEMENTS

Currently, EESS-1 has no transmission reservations or transmission agreements within the United States.

EXHIBIT B

Statement of Opinion of Counsel

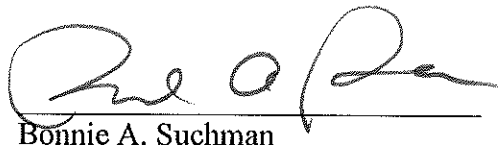
This opinion is rendered in connection with the Application of Emera Energy Services Subsidiary No. 1 LLC ("EESS-1") for Authorization to Transmit Electric Energy to Canada, dated April 19, 2012, and pursuant to 10 C.F.R. Section 205.303(b).

Based on my understanding and review of EESS-1, my knowledge of the corporate powers of EESS-1, and my examination of such documents, records and matters of laws as I have considered to be relevant, it is my opinion that:

1. The proposed exports of electrical power described in the Application are within the corporate powers of EESS-1; and
2. EESS-1 has complied and will comply with all pertinent Federal and State laws.

I am opining herein only as to federal laws of the United States and laws of relevant States within the United States, and I express no opinion as to the laws of any other jurisdiction. I am not assuming any obligation to review or update this opinion should the law or existing facts or circumstances change. This opinion is provided by me as counsel for of EESS-1 solely to you for your exclusive use and is not to be made available to or relied upon by any other person or entity without my prior written consent.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read "Bonnie A. Suchman", written over a horizontal line.

Bonnie A. Suchman

Dated: April 19, 2012

EXHIBIT C

International Transmission Facilities At the U.S.-Canada Authorized for Use by Third-Party Transmitters

<u>Present Owner</u>	<u>Location</u>	<u>Voltage</u>	<u>Presidential Permit No</u>
Bangor Hydro Electric Company	Baileyville, ME	345-kV	PP-89
Basin Electric Power Cooperative	Tioga, ND	230-kV	PP-64
Bonneville Power Administration	Blaine, WA	2-500-kV	PP-10
	Nelway, WA	230kV	PP-36
	Nelway, WA	230-kV	PP-46
Eastern Maine Electric Cooperative	Calais, ME	69-kV	PP-32
International Transmission Company	Detroit, MI	230-kV	PP-230
	Marysville, MI	230-kV	PP-230
	St. Claire, MI	230-kV	PP-230
	St. Claire, MI	345-kV	PP-230
Joint Owners of the Highgate Project	Highgate, VT	120-kV	PP-82
Long Sault, Inc	Massena, NY	2-115-kV	PP-24
Maine Electric Power Company	Houlton, ME	345-kV	PP-43
Maine Public Service Company	Limestone, ME	69-kV	PP-12
	Fort Fairfield, ME	69-kV	PP-12
	Madawaska, ME	138-kV	PP-29
	Aroostook, ME	2-69-kV	PP-29
Minnesota Power Inc	International Falls, MN	115-kV	PP-78
Minnkota Power Cooperative	Roseau County, MN	230-kV	PP-61
New York Power Authority	Massena, NY	765-kV	PP-56
	Massena, NY	2-230-kV	PP-25
	Niagara Falls, NY	2-345-kV	PP-74
	Devil's Hole, NY	230-kV	PP-30
Niagara Mohawk Power Corp.	Devil's Hole, NY	230-kV	PP-190
Northern States Power Company	Red River, ND	230-kV	PP-45
	Roseau County, MN	500-kV	PP-63
	Rugby, ND	230-kV	PP-231
Vermont Electric Power Co.	Derby Line, VT	120-kV	PP-66
Vermont Electric Transmission Co.	Norton, VT	±450-kV DC	PP-76
	Millbury, MA	345-kV	
	Medway, MA	345-kV	

EXHIBIT E

Statement of Any Corporate Relationship or Existing Contract

Not Applicable.

EXHIBIT F -- OPERATING PROCEDURES

Not Applicable

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US Department of Energy

APR 19 2012

Electricity Delivery and
Energy Reliability

April 19, 2012

Mr. Christopher Lawrence
Office of Electricity Delivery and Energy Reliability
OE-20, Room 8G-024
1000 Independence Avenue, S.W.
Washington, DC 20585

Re: Emera Energy Services Subsidiary No. 1 LLC

Dear Mr. Lawrence:

Please find enclosed an original and five (5) copies of Application of Emera Energy Services Subsidiary No. 1 LLC for Authorization to Transmit Electric Energy to Canada. Pursuant to 10 C.F.R. §205.309, I have enclosed a check for \$500, made payable to the Treasurer of the United States.

Please contact me if you require any additional information.

Sincerely,



Bonnie A. Suchman